

# Governor Markell Registers Delaware's First Public Benefit Corporations

*Record number of companies file first-day paperwork*

(Wilmington, DE) Governor Jack Markell joined Secretary of State Jeff Bullock along with CEOs and other business leaders to celebrate Delaware's first public benefit corporations. In total, 17 businesses submitted the necessary paperwork, with representatives from a dozen of those companies doing so in-person, setting a national record for the most companies filing on the first day. Delaware is the 20<sup>th</sup> jurisdiction (including Washington, D.C.) to enact [benefit corporation legislation](#), which Governor Markell [signed into law](#) just weeks ago. The new law makes it possible for corporations to form, convert or merge into a public benefit corporation in Delaware, strengthening the State's position as a leader in corporate law.



"Benefit corporations meet a market need and a societal need," said Governor Markell. "They have the potential to create high quality jobs and improve the quality of life in our communities."

This new corporate structure helps businesses combat short-termism, attract talent and customers, and accelerate the growth of a big investment opportunity to meet the needs of people who want to both make money and make a difference. Some of the most innovative and fastest growing businesses in

America, like eco-home care brand [Method](#) and organic baby food business [Plum Organics](#), were on-hand to be among the first to register as Delaware PBC's.

"Adopting this legislation is just a natural extension of how we do business at Plum," said Neil Grimmer, co-founder and president of Plum Organics. "We are committed to providing little ones with the very best food from the very first bite, and a publicly stated benefit recommits us to that core value. We are honored to be among the first to reincorporate as a PBC in Delaware. Together, we are redefining what it means to be a good company in this new economy."

"Part of Method's mission is to show that business can be a force for social and environmental good," said Method co-founder Adam Lowry. "Delaware benefit corporation law enables responsible businesses like Method to practice a more enlightened form of corporate governance that includes not only financial objectives, but social and environmental objectives. Our hope is that this legislation spurs the development of a robust sector of our economy comprised of businesses that do well by doing good, paving the way for more progressive policy, and ultimately, a more symbiotic relationship between business and society."

In addition to Plum Organics and Method, other companies present to file their paperwork were: [Alter Eco](#), [Socratic Labs](#), [Better than we found it](#), [Fair Parenting Project](#), [Ian Martin Group](#), [New Leaf Paper](#), [Profile Health Systems](#), [American Prison Data](#), [Plexx](#) and [CanSurround](#). Other companies filing paperwork today that were not present include: [Farmigo](#), [VenturePilot](#), [RSF Capital Management](#), [Exemplar Companies](#), and

## Grassroots Capital Management.



Delaware is the legal home of more than one million legal entities, including many of the nation's largest businesses. The State's recognition of this new type of corporation whose end objective is to create a positive impact on society and the environment is expected to have a significant effect on the development of this area of corporate law. The law requires directors of a Delaware public benefit corporation to balance the interests of stockholders with the best interests of those materially affected by the corporation's conduct and the specific public benefits identified by the corporation.

"This law provides benefit corporations with the stability, efficiency and predictability that are the hallmarks of Delaware corporate law," said Secretary of State Jeffrey W. Bullock who oversees the state's Division of Corporations. "Our Courts, our corporate and legal services industry, and my staff will provide the high-quality infrastructure and support managers and investors have come to expect from Delaware."

B Lab, a non-profit organization whose mission is to use the power of business to solve social and environmental problems, is the nation's leading advocate for benefit corporation legislation. The organization certifies hundreds of companies that meet rigorous standards of social and environmental performance, accountability and transparency including more than 70 firms that are already incorporated in Delaware. Representatives from B Lab spoke in support of Delaware's legislation at the bill signing and returned to Delaware for

today's event.

"With the passage of Delaware Benefit Corporation legislation, the path is now clear to scale business as a force for good," said Andrew Kassoy, B Lab Co Founder. "It's great to see venture capital and corporate investors taking advantage of this new tool to scale mission driven businesses on the very first day."

To encourage other companies to embrace the public benefit corporation model, B Lab issued an [open letter](#) today to business leaders, signed by more than 600 organizations.

Public benefit corporations ("PBC's") are a new kind of socially-conscious, for-profit corporation intended to operate in a responsible and sustainable manner. Their affairs are to be conducted for the benefit not only of stockholders, but also for public interest and those affected by the corporation's activities. The creation of PBC's in Delaware is a significant addition to the state's long-standing leadership in the development of corporate law worldwide.



### Formation of a Public Benefit Corporation

A public benefit corporation (PBC) may be formed in the same manner as any other corporation formed under the Delaware General Corporation Law. However, in order to be a PBC, the corporation's certificate of incorporation must identify one

or more specific public benefits and must have a name that clearly identifies its status as a PBC. Public benefits for which corporations may be formed include, but are not limited to, those of an artistic, charitable, cultural, economic, educational, environmental, literary, medical, religious, scientific or technical nature.

At least once every two years, a public benefit corporation must send its stockholders a statement with respect to its promotion of the public benefit(s) identified in its charter, as well as its promotion of the best interests of those materially affected by the corporation's conduct.

Photos from the event are available on [Flickr](#).

Video from the event is available on [YouTube](#).